

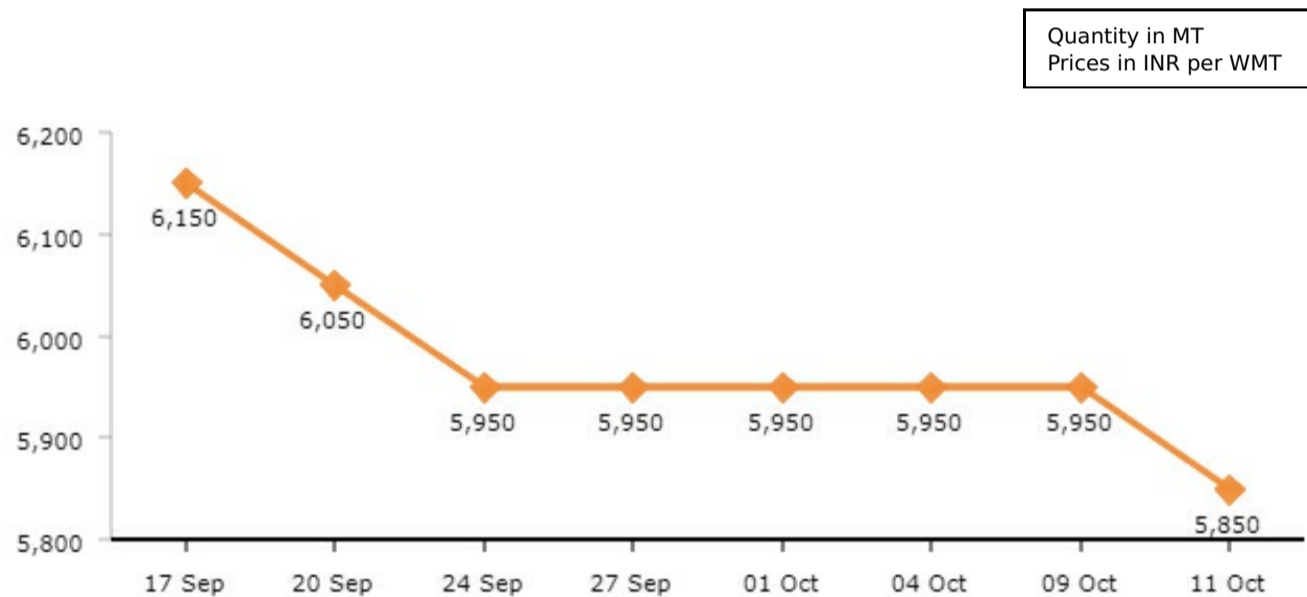
Pellet Index- PELLEX

PELLEX Rationale

PELLEX- DAP Raipur (Delivered Price - Plantsite in Raipur)	INR 5,850/WMT*
Date and Time of publication	11 October, 2019 & 18.30 (IST)
Publishing Window	Wednesday to Friday
Last Index Price (9 Oct, 2019)	5950
% change	-2

* Rounded off to the nearest multiple of 50

* Prices on delivered basis (including freight) to a DRI maker in Raipur



Concluded Transaction Price

- PELLEX down by INR 100/MT to INR 5,850/wmt(DAP Raipur) amid fallen pellet offers.
- No deal reported in this publishing window from Raipur.

Firm Offers

- Raipur based pellet maker decreased pellet offers by INR 200/MT to INR 5,800/MT(Ex-plant); normalizing for freight to Raipur at INR 5,950/MT (DAP Raipur).
- Raigarh based pellet maker also down pellet offer to INR 5,600 (Ex-plant), normalizing freight to Raipur at INR 6,250/MT (DAP Raipur).

Firm Bids

- Four bids were reported at INR 5,650-5,750/MT (DAP Raipur).
- SteelMintP-DRI Assessment (Oct 11, 2019) increased by INR 250/Mt to INR 15,700/MT (Ex-Raipur) D-o-D against INR 15,450/MTyesterday. On weekly basis P-DRI prices were stable.

Export Realization

- One unconfirmed Pellet export deal to China reported in this publishing window by an Eastern India based steel Pellet maker for Fe 64% grade and, 3% Al at around USD 93/MT, FoBIndia equivalent to USD 105-106/MT CFR China.
- SteelMintPellet Exports assessment stands for Fe 64% (3% Alumina) at around USD 93/MT, FoBIndia.
- Ex -Plant export realization for Raipur pellet maker at INR 5,100-5,200/WMT.
- In Central India export market is illiquid, therefore export realization factor has been ignored in computation of PELLEX.

Substitute Parity Price

- Considering land cost of Lump and other factors like yield, conversion cost etc for NMDC and Orissa; the substitute parity price for Pellet is INR 5,880 (DAP Raipur).

Statistical Exclusion for Bids and Offers (no. and normalized values)

Two offers and One Bid.

PELLET SPECIFICATION

India Domestic Pellet specification, DAP Raipur

S. No.	Particulars	Specifications
1	Price	INR per metric tonne
2	Fe Content	Base 63.5%, Range 63% to 64%
3	Silica	Base 3.5%, Maximum 5.0%
4	Alumina	Base 2.0%, Maximum 4.0%
5	Combined Silica/Maximum 7.0% Alumina	Maximum 7.0%
06	Trade Size	Minimum 2,500 MT, Maximum 10,000 MT
07	LOI	Base 3.0%
08	Delivery Terms	DAP Raipur (Delivered to Buyers site in Raipur)
09	Delivery period	Within 2 -4 week
10	Assessment Frequency	Twice in a Week
11	Data collection	Window 1 - Monday 9.00 until Tuesday 17.30 (IST) Window 2 - Wednesday 9.00 until Friday 17.30 (IST)
12	Publication	Window 1 - Tuesday 18.30 (IST) Window 2 - Friday 18.30 (IST)
13	Payment Terms	Advance (Loaded to Truck)

Note:

- Transactions/market information not covered in the previous cycle to be considered in the next cycle
- PELLEX assesses DAP Raipur Prices. DAP is Delivered at Place, meaning prices on delivered basis (including freight) to a DRI maker in Raipur
- For more details, refer to SteelMint PELLEX Methodology document